

# Employee Engagement at the Organizational Level of Analysis

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Macey and Schneider (2008) frame the construct of employee engagement at the individual level of analysis, but much of the interest in the practitioner and consulting communities (e.g., Buchanan, 2004; Jamrog, 2004) and several influential academic studies in this domain (e.g., Harter, Schmidt, & Hayes, 2002; Salanova, Agut, & Peiro, 2005) are framed and conducted at the organizational level. Macey and Schneider leave the level of analysis issue open but do suggest that adding additional levels of analysis to the research repertoire on employee engagement would be a fruitful direction for future research. Because research and practice are already moving in this direction (perhaps ahead of solid theory development), we provide below a brief rationale for why it may be valuable to conceptualize engagement at the organizational level of analysis and offer a few suggestions for how researchers may want to proceed.

## Why Should We Conceptualize Employee Engagement at the Organizational Level?

We offer three rationales for conceptualizing engagement at the organizational level:

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theoretical usefulness, the nomological network, and practical utility. Note that we use the term *organizational* as a convenience; these arguments apply to any meaningful unit above the individual level (e.g., work group, store, department). First, we ask if it makes sense from a theoretical perspective to consider Macey and Schneider's tripartite conceptualization of engagement (state, trait, and behavioral) at the organizational level of analysis. We believe that it does, based on a body of emerging research that is examining affect at the group and organization level. *State engagement*, with its strong affective component including positive affect, energy, absorption, and passion, can be viewed as similar to the idea of collective mood or group affective tone (George, 1990; Kelly & Barsade, 2001; Totterdell, 2000). Totterdell asserts that groups develop collective mood because (a) group members experience similar workplace events and thus have similar affective reactions, and (b) emotional contagion processes lead to a convergence of mood in groups. In addition to contagion, Kelly and Barsade also add more explicit processes, such as modeling and emotion management. Totterdell found among professional cricket teams evidence for mood convergence that was independent of daily hassles experience and objective team performance. Beyond the strongly affective elements of state engagement, the ideas of involvement, commitment, and empowerment advanced by

Macey and Schneider also likely have organization-level analogs. Salanova et al. (2005), in their organization-level treatment of engagement, in addition to contagion, discuss social comparison, leadership influence, and social influence by peers as all contributing to a shared level of engagement in the organization.

We also see *trait engagement* as a viable organization-level concept. The attraction–selection–attrition (ASA) framework suggests that individuals with similar personalities will be found in the same work setting, and this argument extends to trait positive affect, the proactive personality, and conscientiousness (George, 1990; Schneider, Smith, Fleenor, & Taylor, 1998). It is also appropriate to aggregate *behavioral engagement*. Extra-role or organizational citizenship behavior, for example, has been conceptualized at the group and organizational levels of analysis (e.g., Ehrhart, 2004), as have other behavioral outcomes of strategic organizational climates, such as service and safety behaviors. George, as well as George and James (1993), for example, referred to the roles of behavioral adjustment through ASA processes, social information processes (i.e., employees experiencing similar environmental cues), and social learning in the development of unit-level behaviors.

Second, an organization-level approach to engagement is consistent with the construct's nomological network. As Macey and Schneider state, "The antecedents of [engagement] are located in conditions under which people work, and the consequences are thought to be of value to organizational effectiveness" (p. 4). If our ideas of some of the antecedents (e.g., work conditions, leadership) and consequences (organizational effectiveness) of the engagement construct are at the organizational level of analysis, it is logical to also conceptualize the focal construct at the organizational level. This argument can be traced back to the work of scholars such as Likert and McGregor in the 1960s, who were cognizant of the organizational-level effects of employee attitudes and behaviors. For example, McGregor's (1960) idea of the

*managerial climate* suggested that employee attitudes represented the work experiences of employees as influenced by managers and that they subsequently impacted organizational effectiveness. These ideas have been revitalized in recent research (e.g., Schneider, Hanges, Smith, & Salvaggio, 2003).

A final reason engagement should be studied at the organizational level is its practical utility. For practitioners, performance at the unit level is often more of a barometer of success than the performance of individuals. The language and metrics used by managers and leaders are typically at the group or organization levels: The focus is on unit characteristics and unit outcomes (e.g., store sales, customer satisfaction, return on investment), and interventions typically are at the level of the unit, not individual employee. The practitioner community has played a large role in the resurgent interest in employee engagement, and based on our conversations with those who conduct organizational-level "linkage research," much of that interest flows from the usefulness of an organization-level approach for managers and leaders.

Having established why engagement should be studied at the aggregate level, we now turn to the question of how that should be done.

### **How Should We Study Employee Engagement at the Organizational Level?**

Fundamentally, theory, not statistics (e.g., agreement indices), is the most important first step for considering whether data at one level of analysis can appropriately be aggregated to a higher level of analysis. Known as composition theory, this specifies the functional relationships among constructs at different levels of analysis. It provides a rationale for aggregation and specifies how the lower level construct is related to the higher level construct. We see the implications of composition theory for organizational-level engagement as follows. First, our rationales for trait and state engagement

are that there will be similarities in personality and affective states experienced within units (groups or organizations), and as such, it is appropriate to establish within-unit agreement to justify the appropriateness of aggregating individual-level data to the unit level. This would be, in Chan's (1994) terminology, a direct consensus model. Practically, this would mean that one could continue to measure employee engagement as the construct has been defined at the individual level and aggregate those individual-level responses to the group or organizational level.

For the behavioral engagement, and some of the more cognitively oriented aspects of state engagement such as commitment and involvement, however, in addition to demonstrating within-unit agreement, shifting the referent of items in the engagement measure to the unit level may be more appropriate. By making this shift, the measure will tap the normative level of behavioral engagement perceived in a unit rather than the average level of engagement. Ehrhart (2004) makes this important distinction in his study of unit-level organizational citizenship behavior (OCB). He notes that unit-level OCB differs from an average of individual-level OCB because it captures unit-level aspects of the construct, such as social norms, that are not included when measuring individual levels of OCB. Unit-level OCB is different from the same construct at the individual level: "The importance of OCB for organizational units is in how the unit members perceive those behaviors, whether group members consider them normative, and how closely tied they are to the unit's identity" (Ehrhart, 2004, p. 65). Similar processes, particularly with regard to how behavioral engagement is tied to unit identity, seem crucial to capture in the measurement of engagement at the unit level. This referent shift composition model would make the measurement of unit-level engagement consistent with the methodology of climate research, where the target or descriptive level of climate items corresponds to the unit about which individuals provide descriptions (Rousseau, 1988).

Engagement measures with a unit-level referent give respondents a clear frame of reference for describing the normative levels of engagement in the unit.

We acknowledge a potential inconsistency in the above rationale: maintaining an individual-level focus of measurement with trait and state engagement but advocating a referent shift to the unit level for the measurement of behavioral engagement. This comes from our view that although there are theoretical rationales for capturing perceptions of the normative level of behavioral engagement in a unit (e.g., this captures issues such as social norms and identity), personality and affect are very much individual-level constructs. When there is similarity in personality and affect at the unit level, it is meaningful to aggregate, but with most research, conceptualization and measurement of these constructs remain at the individual level. Thus, we view the question of whether trait and state engagement can be measured with a unit-level referent as contingent on the development of better theory.

We hope that this comment stimulates others to think about conducting research on engagement at the group or organizational level and highlights the fact that using engagement as a construct at the organizational level of analysis may require more than just aggregating individual-level responses. Adequate composition theory is needed, something often lacking in existing work (e.g., Harter et al., 2002). Scholars and practitioners interested in employee engagement are urged to develop construct validation research on this construct at higher levels of analysis.

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